

SERVICE LINE COVERAGE ENDORSEMENT

AGREEMENT:

If the "Declaration Page" shows that the Service Line Coverage applies "we" will provide the insurance described in this form in compliance with all applicable provisions (including but not limited to Conditions, Definitions and Exclusions) of "your" residential insurance policy, except as they may be varied herein. Coverage provided under this endorsement does not increase any limit of insurance in "your" policy under section 1.

DEFINITIONS:

With respect to the coverage provided by this endorsement, the following definitions are added:

1. "Covered Service Line"
 - a. "Covered Service Line" means exterior underground piping and wiring, including permanent connections, valves or attached devices providing one of the following services to "your" "premises":
 - (1) Communications, including cable transmission, data transmission, internet access and telecommunications;
 - (2) Compressed air;
 - (3) Drainage;
 - (4) Electrical power;
 - (5) Heating, including geothermal, natural gas, propane and steam;
 - (6) Waste disposal; or
 - (7) "Water".
 - b. A "Covered Service Line" must be owned by "you" or "you" must be responsible for its repair or replacement as required by law, regulation or service agreement. Should repair or replacement be "your" responsibility, a "Covered Service Line" ends at the precise location where "your" responsibility for such repair or replacement ends. However, in no event will a "Covered Service Line" extend beyond the point of connection to the main service or utility line.
 - c. "Covered Service Line" does not include:
 - (1) Piping or wiring that is not connected and ready for use;
 - (2) That part of piping or wiring that runs through or under a body of "water", including but not limited to a swimming pool, pond or lake;
 - (3) That part of piping or wiring that runs under the "dwelling" or other structure. However, this Clause c.(3) shall not apply to piping or wiring that runs under:
 - (a) A driveway or walkway;
 - (b) A structure, such as a deck raised sufficiently from the ground that such piping or wiring can be accessed without damaging or dismantling any structure; or
 - (4) Sprinkler system pipes.
2. "Earth Movement"

"Earth Movement" means:

 - a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
 - b. Landslide, mudslide or mudflow;
 - c. Subsidence or sinkhole collapse;
 - d. Tsunami or volcanic eruption; or
 - e. Any other naturally occurring earth movement including earth sinking, rising or shifting.
3. "One Service Line Failure"

"One Service Line Failure" means if an initial "Service Line Failure" causes other "Service Line Failures", all will be considered "One Service Line Failure". All "Service Line Failures" that are the result of the same event will be considered "One Service Line Failure".

4. **“Service Line Failure”**
“Service Line Failure” means a leak, break, tear, rupture, collapse or electrical arcing of a “Covered Service Line” not otherwise excluded by this endorsement. A “Service Line Failure” may be caused by, but is not limited to, the following perils:
- a. Wear and tear, marring, deterioration or hidden decay;
 - b. Rust or other corrosion;
 - c. Mechanical breakdown, latent defect or inherent vice;
 - d. Weight of vehicles, equipment, animals or people;
 - e. Vermin, insects, rodents or other animals;
 - f. Artificially generated electrical current;
 - g. Freezing or frost heave;
 - h. External force from a shovel, backhoe or other form of excavation; or
 - i. Tree or other root invasion.

“Service Line Failure” does not include blockage, sag or low pressure of a “Covered Service Line” when there is no physical damage to the “Covered Service Line”.

COVERAGES:

The following coverages are added, subject to the limit of insurance, unless otherwise specified below. These coverages do not increase the limit of Insurance under Service Line Coverage.

1. **Damage to “Covered Service Line”**
“We” will pay for physical loss or damage to “your” “Covered Service Line” that is the direct result of a “Service Line Failure.”
2. **Excavation Costs**
With respect to “your” “Covered Service Line” that is damaged as the result of a “Service Line Failure,” “we” will pay the necessary and reasonable excavation costs that are required to repair or replace the damaged “Covered Service Line.”
3. **Expediting Expenses**
With respect to “your” “Covered Service Line” that is damaged as the result of a “Service Line Failure,” “we” will pay the reasonable extra cost to:
 - (a) make temporary repairs; and
 - (b) expedite permanent repairs or permanent replacement.
4. **Outdoor Property**
“We” will pay for “your” outdoor property, including but not limited to trees, shrubs, plants, lawns, walkways and driveways, that is damaged as a result of a “Service Line Failure” or that is damaged during the excavation of “your” “Covered Service Line” following a “Service Line Failure.”
5. **Additional Living Expenses and Fair Rental Value**
If “your” property policy shows “you” have Coverage D, we will also provide coverage for Additional Living Expenses and Fair Rental Value as described under Coverage D.

EXCLUSIONS:

In addition to all other exclusions indicated in your Policy, the following exclusions are added to this Service Line Coverage:

1. Earth Movement

"We" will not pay for loss, damage or expense caused directly or indirectly by "Earth Movement", except for "Earth Movement" that results from the ground thawing after a freeze.

2. Increased Usage of Services

"We" will not pay additional costs incurred for loss or increased usage of "water", natural gas, propane or any other service caused by or resulting from a "Service Line Failure".

3. Installation or Repair

"We" will not pay for loss or damage to a "Covered Service Line" that is damaged while it is being installed, dismantled or repaired. However, this exclusion shall not apply if a covered "Service Line Failure" necessitated such installation, dismantling or repair.

4. Pollutant Clean Up

"We" will not pay to clean up or remove "pollutants", hazardous waste or sewage.

5. Property Perils

"We" will not pay for loss, damage or expense caused directly or indirectly by any of the following perils:

- (a) Fire, including fire resulting from a "Service Line Failure", or smoke;
- (b) "Water" or other means used to extinguish a fire;
- (c) Explosion;
- (d) Lightning;
- (e) Windstorm or hail;
- (f) Impact by aircraft;
- (g) Breakage of glass;
- (h) Riot or Civil Commotion;
- (i) Theft, including damage by attempted theft; or
- (j) "Flood", "surface water", waves, tides, tidal waves, overflow of any body of "water" or their spray, all whether driven by wind or not or "water" that backs up or overflows from a sewer, drain or sump.

6. Property Not Covered

"We" will not pay for loss or damage to:

- (a) Septic systems, including leach fields, septic tanks, pumps, motors or piping that runs from the septic tank to the leach fields, other than loss or damage to covered waste disposal piping running from "your" "dwelling" or other structure to a septic tank ;
- (b) "Water" wells, including well pumps or motors;
- (c) Above ground heating and cooling systems, including heat pumps; or
- (d) Sprinkler system pumps, motors or heads.

7. Property Covered Elsewhere

"We" will not pay for loss covered under the Property section of "your" Policy or under any extension endorsement attached thereto.

CONDITIONS:

In addition to all other conditions indicated in "your" policy, the following conditions are added to this endorsement:

1. Limit of Insurance

The Limit of Insurance under the Service Line Coverage is dependent upon the age of "your" "dwelling" located on the building described on the "Declarations Page". The most "we" will pay for all loss, damage or expense, arising from any "One Service Line Failure" to any "Covered Service Line" is as follows:

- a. \$10,000 if "your" "dwelling" is less than 50 years old; or
- b. \$2,500 if "your" "dwelling" is 50 years old or older. However, if the damaged "Covered Service Line" was installed or replaced in its entirety within 50 years of the "Service Line Failure", the limit shown in a. above will apply.

The maximum limit per occurrence under this endorsement is \$10,000 regardless of whether a single "Covered Service Line" or multiple "Covered Service Lines" are damaged by "One Service Line Failure".

2. Deductible

"We" will pay only that part of the total payable loss, arising from any "One Service Line Failure", that exceeds the Service Line Deductible shown in the "Declarations Page", subject to the applicable Limit of Insurance in this endorsement.

3. Environmental, Safety and Efficiency Improvements

If a "Covered Service Line" requires replacement due to a "Service Line Failure," "we" will pay "your" additional cost to replace with materials that are better for the environment, safer for people, or more energy or "water" efficient than the materials being replaced.

However, "we" will not pay to increase the size or capacity of the materials and "we" will not pay more than (150) percent of what the cost would have been to replace with similar kind and quality. This condition does not increase the limit of insurance that applies to this endorsement.

4. Basis of Claim Payment

Losses under this endorsement will be settled as follows:

- (a) "Our" payment for damaged "Covered Service Line" will be the lesser of:
 - (1) The applicable Limit of Insurance;
 - (2) The cost to repair the damaged "Covered Service Line";
 - (3) The cost to replace the damaged "Covered Service Line" with similar kind, quality and capacity on the same "premises"; or
 - (4) The necessary amount actually spent to repair or replace the damaged "Covered Service Line".
- (b) Except as described in Environmental, Safety and Efficiency Improvements above, "you" are responsible for the extra cost of replacing damaged "Covered Service Line" with materials of a better kind, quality or of a different size or capacity.
- (c) "You" are responsible for the extra cost to alter or relocate "Covered Service Line", unless such alteration or relocation is required by law or ordinance.
- (d) "You" are responsible for any extra cost incurred to remove, replace or repair any structure when such cost is incurred to access the "Covered Service Line"

5. Other Insurance Clause:

If there is other insurance that applies to a loss or claim, or would have applied if this coverage did not exist, this coverage will be considered excess insurance and there will be no payment for any loss or claim until the amount of such other insurance is used up.

All other terms and conditions of the policy to which this coverage applies remain unchanged.